

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS



04048711

Hauser, Inc.

Exact Name of Registrant as Specified in Charter

0000773723

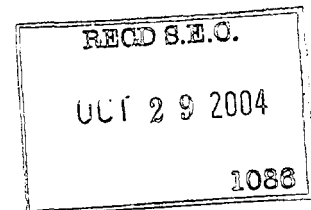
Registrant CIK Number

Form 8-K For 9-30-04

Electronic Report, Schedule or Registration
Statement of Which the Documents Are a Part
(give period of report)

0-17174

SEC File Number, if available



PROCESSED

OCT 29 2004

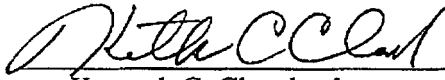
THOMSON
FINANCIAL

~

SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California on the 25th day of October 2004.

HAUSER, INC.

By: 
Name: Kenneth C. Cleveland
Title: President and Chief Executive Officer

**IN ACCORDANCE WITH RULE 202 OF REGULATION S-T, THIS MONTHLY
OPERATING REPORT FOR THE MONTH ENDED SEPTEMBER 30, 2004 IS BEING
FILED IN PAPER FORMAT PURSUANT TO A CONTINUING HARDSHIP
EXEMPTION**

**MONTHLY OPERATING REPORT
FOR THE MONTH ENDED SEPTEMBER 30, 2004**

OF

**HAUSER, INC. AND ITS WHOLLY OWNED SUBSIDIARIES BOTANICALS
INTERNATIONAL EXTRACTS, INC., HAUSER TECHNICAL SERVICES, INC. AND
ZETAPHARM, INC.**

Office of the United States Trustee

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Chapter 11 Case No: LA 03-18798-BB Debtor

Debtor in Possession Interim Statement
Statement Number: 18
For the period: JUNE

RECEIVED

September 1, 2004
September 30, 2004

[illegible]

H. Depositories	Depository Name	Depository Location	Account Number
(1) General Account	Wells Fargo Bank	Los Angeles, CA	4945 063840
(2) Payroll Account	Wells Fargo Bank	Los Angeles, CA	4945 086361
(3) Tax Account	none		

I. Other monies on hand (Specify type and location) (i.e. Certificates of Deposit, Petty Cash):

Type	Location	Amount
Petty Cash	Denver, CO	Not to exceed \$200

I, (Print Name:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor In Possession Interim Statement is true and complete to the best of my knowledge.

Dated: October 6, 2004

Debtor In Possession or Trustee Signature
Secretary / Treasurer

Office of the United States Trustee

Hauser Technical Services, Inc.

A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Interim Statement

Statement Number:

18

For the period:

FROM: 9/1/2004
TO: 9/30/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
9/3/2004	12862	Todd Klimkowsky	Final Payroll Check	1,524		
9/3/2004	12863	Todd Klimkowsky	Mileage	64		
9/3/2004	12864	Jennifer Hobson	Final Payroll Check	1,264		
9/3/2004	12865	Julie Shott	Final Payroll Check	630		
9/3/2004	12866	Margaret Thompson	Final Payroll Check	5,129		
9/3/2004	12867	Qwest 230M	Telephone	281		
9/8/2004	12868	Advanced Trailer Leasing 004	Trailer Rental	134		
9/8/2004	12869	Ben Hughes	Mileage	47		
9/8/2004	12870	Clean Harbors Env. Services	Hazard Waste Disposal	2,635		
9/8/2004	12871	David Clark	Small tools & Mileage	92		
9/8/2004	12872	David Dunn	Mileage	28		
9/8/2004	12873	GE Capital	Copier Leases	737		
9/8/2004	12874	Pure Water Solutions, Inc.	Tank Rental and service/2 months	943		
9/8/2004	12875	Quantum Analytics	Equipment lease	709		
9/8/2004	12876	QWEST - 469B	Telephone	383		
9/8/2004	12877	QWEST - 564B (was 701B)	Telephone	50		
9/8/2004	12878	Qwest - 922B (was 612B)	Telephone	47		
9/8/2004	12879	Qwest 231B	Telephone	905		
9/8/2004	12880	USFilter	Set up new system and tank rental	2,371		
9/9/2004	12881	Xcel Energy (CC)	Clear Creek Utilities	8,813		
9/9/2004	12882	Xcel Energy (GB)	Gunbarrel Utilities	4,066		
9/13/2004	12883	Woodspear Properties	Gunbarrel Rent	18,990		
9/14/2004	12884	Kathy Granillo	Final Payroll Check & Vacation Pay-out	57		
9/17/2004	12885	Adam Flick	Final Payroll Check & Vacation Pay-out	1,341		
9/17/2004	12886	Barry H. Wolfe	Final Payroll Check	212		
9/17/2004	12887	Ben Hughes	Final Payroll Check & Vacation Pay-out	1,446		
9/17/2004	12888	Cynthia S. Thompson	Final Payroll Check & Vacation Pay-out	1,189		
9/17/2004	12889	Dan W. Childers	Final Payroll Check & Vacation Pay-out	5,290		
9/17/2004	12890	Dave Renner	Final Payroll Check & Vacation Pay-out	3,062		
9/17/2004	12891	David Clark	Final Payroll Check	374		
9/17/2004	12892	David Dunn	Final Payroll Check	323		
9/17/2004	12893	Edward Babaian	Final Payroll Check	381		
9/17/2004	12894	Elliott Mead	Final Payroll Check	663		
9/17/2004	12895	Fred Pfeiffer	Final Payroll Check & Vacation Pay-out	1,387		
9/17/2004	12896	Gamini J. Jayatilake	Final Payroll Check & Vacation Pay-out	2,266		
9/17/2004	12897	Jackie L. Nelson	Final Payroll Check & Vacation Pay-out	1,363		
9/17/2004	12898	Jeff Beckvermit	Final Payroll Check	685		
9/17/2004	12899	Jeff Riegel	Final Payroll Check & Vacation Pay-out	1,725		
9/17/2004	12900	Jeff Zadrozny	Final Payroll Check	714		
9/17/2004	12901	Kathleen A. Duke	Final Payroll Check	308		
9/17/2004	12902	Kathy Granillo	Final Payroll Check	430		
9/17/2004	12903	Kenneth Dennis	Final Payroll Check & Vacation Pay-out	3,750		
9/17/2004	12904	Matthew J. Duggan	Final Payroll Check & Vacation Pay-out	5,871		
9/17/2004	12905	Melissa Varner	Final Payroll Check & Vacation Pay-out	2,388		
9/17/2004	12906	Paul Reinhart	Final Payroll Check	681		
9/17/2004	12907	Randy McEvoy	Final Payroll Check & Vacation Pay-out	4,874		
9/17/2004	12908	Void	Void	0		
9/17/2004	12909	Sean Garrett	Final Payroll Check & Vacation Pay-out	2,661		
9/17/2004	12910	Sherman Ross	Final Payroll Check	2,642		
9/17/2004	12911	Steve W. Rank	Final Payroll Check & Vacation Pay-out	455		
9/17/2004	12912	Xiong Fu	Final Payroll Check & Vacation Pay-out	3,315		
9/16/2004	12913	Rodney B. McKeever	Final Payroll Check & Vacation Pay-out	6,858		

Office of the United States Trustee

Debtor: Hauser Technical Services, Inc.

A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Interim Statement

Statement Number:

18

For the period:

FROM: 9/1/2004

TO: 9/30/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
9/16/2004	12914	Rodney B. McKeever	Remainder of Vacation Pay-out	5,874		
9/16/2004	12915	Sherman Ross	Final Payroll Check	182		
9/29/2004	12916	St. Paul Travelers	Portion of Virtis claim paid by FedEx	14,065		
9/29/2004	12917	Virtis Company	Insurance settlement for damaged eqmt.	28,130		
9/30/2004	12918	ADP	Payroll & W2 Processing Fee	711		
9/1/2004	Wire Trnsf	Wire transfer to Hauser	Repayment of Advances	240,000		
9/1/2004	Wire Trnsf	Wire transfer to Acordia	General Insurance	5,908		
9/3/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	5,672		
9/2/2004	Pyrl Cks	Payroll 9-2 - Taxes	Payroll & Payroll Taxes	19,848		
9/2/2004	Wire Trnsf	Payroll 9-2 - Checks	Payroll & Payroll Taxes	8,388		
9/14/2004	Wire Trnsf	Payroll 9-16 - Direct Deposit	Payroll & Payroll Taxes	32,763		
9/15/2004	Wire Trnsf	Payroll 9-16 - Direct Deposit	Payroll & Payroll Taxes	20,809		
9/16/2004	Wire Trnsf	Payroll 9-16 - Checks	Payroll & Payroll Taxes	7,930		
9/16/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	4,297		
9/17/2004	Wire Trnsf	Manual Payroll 9-19 - Taxes	Payroll & Payroll Taxes	24,041		
9/23/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	2,660		
9/3/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	315		
9/17/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	216		
9/24/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	443		
9/23/2004	Acnt Trnsf	Wells Fargo	# Bank Fee Adjustment	-475		
TOTAL DISBURSEMENTS on this page (total will automatically carry to p1)				528,333	0	0

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In re: Hauser, Inc.
A Delaware Corporation

Chapter 11 Case No: LA 03-18795-BB Debtor


Debtor in Possession
Statement Number: 13: 57
For the period: 9/1/2004 to 9/30/2004
FROM: OFFICE OF US TRUSTEE
TO: LOS ANGELES, CA

CASH ACTIVITY ANALYSIS (Cash Basis Only)				General Account	Payroll Account	Tax Account
A. Total Receipts per all Prior Interim Statements				33,380,587	-	-
B. Less: Total Disbursements per all Prior Statements				33,265,473	-	-
C. Beginning Balance (A less B)				115,114		
D. Receipts during Current Period (Describe each receipt; Attach Separate Listing if Necessary)						
9/1: Payback of loans by HTS				240,000		
9/7: Refund from SBC				220		
9/15: Settlement of claim from Metro Wastewater Reclamation				3,898		
9/16: Proceeds from sale of HTS				1,545,480		
9/23: Pmt from BI for return of merchandise; Sale of phone system				15,140		
9/28: Well revenue from Kerr-McGee; UPS deposit return; equipment sale				2,628		
From Detail Sheet "D"						
TOTAL RECEIPTS THIS PERIOD (D):				1,807,366		
E. Balance Available (C plus D)				1,922,481		
F. Less: Disbursements during Current Period (Describe "date", "Check#", "Payee/Purpose", Attach separate listing if needed)						
9/18: Advance to HTS				70,000		
9/17: Advance to HTS				70,000		
From Detail Sheet "F"				26,024		
TOTAL DISBURSEMENTS HIS PERIOD (F):				96,024		
G. Ending Balance (E less F)				1,826,457		

H. Depositories	Depository Name	Depository Location	Account Number
(1) General Account	Wells Fargo Bank - Los Angeles, CA		4945 063790
(4) Tax Account	none		

Type	Location	
Petty Cash	San Marino, CA	not to exceed \$100
Petty Cash	Denver, CO	not to exceed \$100

Dated: October 7, 2004


Debtor in Possession or Trustee Signature
Chief Financial Officer

Hauser, Inc
Debtor in Possession Statement #18
September 1 to 30, 2004
Detail Sheet F; Cash Disbursements

	Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description
1	6208	9/7/2004	VOID	-		-	Void
2	6209	9/7/2004	VOID	-		-	Void
3	6210	9/7/2004	VOID	-		-	Void
4	6211	9/7/2004	VOID	-		-	Void
5	6212	9/7/2004	VOID	-		-	Void
6	6213	9/7/2004	VOID	-		-	Void
7	6214	9/7/2004	VOID	-		-	Void
8	6215	9/7/2004	AT&T WIRELESS	46		46	Cell Phone
9	6216	9/7/2004	BAY 4 CAPITAL	1,000		1,000	HTS Phone Equip Lease
10	6217	9/7/2004	CT CORP	219		219	Zetapharm-Foreign Representation
11	6218	9/7/2004	VOID	-		-	Void
12	6219	9/7/2004	FEDEX	109		109	Shipping Costs
13	6220	9/7/2004	JEFF FADLEY	2,930		2,930	Management Consulting Services
14	6221	9/7/2004	JEAN PAULSON	975		975	HR Consulting
15	6222	9/7/2004	KATHLEEN ATKINSON	726		726	Accounting Consulting
16	6223	9/7/2004	POSTAL PRIVILEGE	30		30	Postage
17	6224	9/7/2004	ROBERT BUCK	131		131	Accounting Consulting
18	6225	9/7/2004	THOMAS HANLON ASSOCIATES	1,350		1,350	Executive Management Services
19	6226	9/7/2004	VOID	-		-	Void
20	6227	9/7/2004	DUANE COWGER	500		500	IT Consulting
21	6228	9/14/2004	FEDEX	52		52	Shipping Costs
22	6229	9/14/2004	JEFF FADLEY	1,465		1,465	Management Consulting Services
23	6230	9/14/2004	KATHLEEN ATKINSON	1,225		1,225	Accounting Consulting
24	6231	9/14/2004	KATHLEEN ATKINSON	46		46	Expense Reimbursement
25	6232	9/14/2004	KENNETH CLEVELAND ASSOCIATES	2,000		2,000	Executive Management Services
26	6233	9/14/2004	ROBERT BUCK	619		619	Accounting Consulting
27	6234	9/14/2004	THOMAS HANLON ASSOCIATES	1,350		1,350	Executive Management Services
28	6235	9/21/2004	VOID	-		-	Void
29	6236	9/21/2004	GA SECRETARY OF STATE	20		20	GA Withdrawal Fee
30	6237	9/21/2004	GA SECRETARY OF STATE	20		20	GA Withdrawal Fee
31	6238	9/21/2004	CO DEPT OF REVENUE	360		360	CO use tax for 2003
32	6239	9/21/2004	CO DEPT OF REVENUE	16		16	CO renewal for Sales Tax License
33	6240	9/21/2004	FEDEX	51		51	Shipping Costs
34	6241	9/21/2004	FL DEPT OF STATE	35		35	FL Withdrawal Fee
35	6242	9/21/2004	JEFF FADLEY	1,465		1,465	Management Consulting Services
36	6243	9/21/2004	JEAN PAULSON-KISLESKY	750		750	HR Consulting
37	6244	9/21/2004	JEFF FADLEY EXPENSES	172		172	Expense Reimbursement (Trip)
38	6245	9/21/2004	KATHLEEN ATKINSON	639		639	Accounting Consulting
39	6246	9/21/2004	KENNETH CLEVELAND ASSOCIATES	2,000		2,000	Executive Management Services
40	6247	9/21/2004	ROBERT BUCK	188		188	Accounting Consulting
41	6248	9/21/2004	THOMAS HANLON	120		120	Expense Reimbursement
42	6249	9/21/2004	THOMAS HANLON ASSOCIATES	1,350		1,350	Executive Management Services
43	6250	9/28/2004	BAY 4 CAPITAL	1,000		1,000	HTS Phone Equip Lease
44	6251	9/28/2004	DUANE COWGER	250		250	IT Consulting
45	6252	9/28/2004	FEDEX	77		77	Shipping Costs
46	6253	9/28/2004	JEFF FADLEY	1,465		1,465	Management Consulting Services
47	6254	9/28/2004	KATHLEEN ATKINSON	324		324	Accounting Consulting
48	6255	9/28/2004	KATHLEEN ATKINSON	79		79	Expense Reimbursement
49	6256	9/28/2004	KENNETH TAIRA	140		140	E-Mail Set Up
50	6257	9/28/2004	NYC DEPT OF FINANCE	108		108	Zetapharm 2004 Tax Interest
51	6258	9/28/2004	ROBERT BUCK	94		94	Accounting Consulting
52	6259	9/28/2004	TROY E. CLARKE	189		189	Expense Reimb, Court Ordered
53	6260	9/30/2004	ADP, INC	139		139	2004 W-2 Processing
54	ED0920	9/20/2004	WELLS FARGO	205		205	Client Analysis Service Charge
			Monthly Total	26,027	-	26,027	

COPY

Office of the United States Trustee

In re: Botanicals International Extracts Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18788-BB

Debtor In Possession Operating Report

Report Number
For the period

RECEIVED

FROM:

September 1, 2004

TO:

September 30, 2004

2004 OCT 15 P 3-58

1. Profit and Loss Statement (Accrual Basis Only)

OFFICE OF US TRUSTEE
LOS ANGELES, CA.

A. Related in Business Operations:		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	-	-
Overdue - 31 - 60 Days	-	-
Overdue - 61 - 90 Days	-	-
Overdue - 91 - 120 Days	-	-
Overdue - Over 121 Days	-	390,622
TOTAL	-	390,622

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (I.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: _____

N/A

Gross Sales Subject to Sales Tax for Period: _____

N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes			N/A
State Payroll and Withholding Taxes			N/A
State Sales and Use Taxes			-
Real Property Taxes			-

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☒ YES (Explain:)
☐ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☒ YES (Explain:)
☐ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

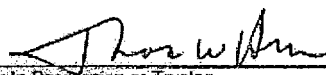
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owed
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3902	\$ -
9/30/2003	5,332,810	\$ 250	11/20/2003	\$ 250	4690	\$ -
9/30/2003	5,332,810	\$ 7,750	12/29/2003	\$ 7,750	4988	\$ -
12/31/2003	9,681,934	\$ 12,000	2/26/2004	\$ 12,000	5165	\$ -
3/31/2004	202,606	\$ 1,250	5/5/2004	\$ 1,250	5322	\$ -
6/30/2004	3,433	\$ 9,000	7/28/2004	\$ 9,000	6135	\$ -

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: October 14, 2004


Debtor in Possession or Trustee
Secretary/Treasurer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	Winchester Surplus Lines/Acordia	See Below	6/1/2005	11/1/2004
Real Property	Winchester Surplus Lines/Acordia			
Personal Property	Winchester Surplus Lines/Acordia	1,871,000	"	"
Machinery	Winchester Surplus Lines/Acordia	2,273,000	"	"
Business Income	Winchester Surplus Lines/Acordia	500,000	"	"
Property of Others	Winchester Surplus Lines/Acordia	1,135,000	"	"
Theft-Money	Winchester Surplus Lines/Acordia		cancelled	
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		cancelled	
California	No Autos			
Other	1 vehicle in CO - to be sold			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liabili	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	cancelled	

Botanicals International Extracts, Inc.
September 30, 2004
(dollars in thousands)

	Current Month Actual	Six Months Ended Year-to-date Actual
Sales	-	593
Cost of Sales	-	3
Gross margin	-	590
Sales and marketing	-	-
G & A expenses	-	-
Total	-	-
Contribution	-	590
Corporate Services	-	-
Operating income (loss)	-	590
Interest expense	-	-
Profit (Loss) before Other Income (Expense) & Discontinued Operation	-	590
Gain/(Loss) on Disposal of Assets	15	142
Chapter 11 Reorganization Costs	-	-
Profit (loss) before tax	15	732
Income taxes	-	-
Net income (loss)	15	732

In re: Botanicals International Extracts Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 18

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		

COPY

Office of the United States Trustee

In re: Hauser Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18795-BB

Debtor In Possession Operating Report
Report Number: 18
For the period-
FROM: 2004 September 1, 2004
TO: 2004 OCT 15, 2004

RECEIVED
2004 OCT 15 P 3 58
September 30, 2004OFFICE OF US TRUSTEE
LOS ANGELES, CA

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	2,018	-
Overdue - 31 - 60 Days	-	-
Overdue - 61 - 90 Days	-	-
Overdue - 91 - 120 Days	-	-
Overdue - Over 121 Days	(39)	369,169
TOTAL	1,979	369,169

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (I.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
GE Capital	Monthly	198	2/12/2004	1	198

* Explanation for Non-Payment:

The Hauser equipment under the GE Capital lease has been returned and we are awaiting a final reconciliation of amounts due.

4. Tax Liability:

Gross Payroll Expense for Period:

Gross Sales Subject to Sales Tax for Period:

N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		
Real Property Taxes			

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

YES (Explain):
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

YES (Explain):
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Stulman, Treister & Glatt	Attorney	\$ 1,337,000
Kaye-Scholer LLP	Attorney	\$ 541,000
Peltzman, Glassman, Weg & Kempinsky LLP	Attorney	\$ 47,000
Hogan & Hartson, LLP	Attorney	\$ 125,000
BDO Seidman	Accountant	\$ 10,000
Deloitte & Touche LLP	Accountant	\$ 65,000
Wilkie Farr & Gallagher	Attorney	\$ 108,000
Mack Barclay	Accountant	\$ 11,000
FTI	Accountant	\$ 50,000

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

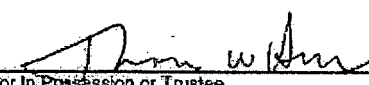
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2004	8,997,191	\$ 10,000	8/7/2003	\$ 10,000	3948	\$ -
9/30/2004	3,108,371	\$ 10,000	11/8/2003	\$ 10,000	4630	\$ -
12/31/2004	3,447,790	\$ 6,000	2/26/2004	\$ 6,000	5161	\$ -
3/31/2004	1,185,120	\$ 5,000	5/5/2004	\$ 5,000	5321	\$ -
6/30/2004	898,708	\$ 5,000	7/28/2004	\$ 5,000	6136	\$ -

I, (Name/Title): Thomas W. Hanton, Chief Financial Officer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: October 14, 2004


 Debtor In Possession or Trustee
 Chief Financial Officer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	Winchester Surplus Lines/Acordia	See Below	6/1/2005	11/1/2004
Real Property	Winchester Surplus Lines/Acordia			
Personal Property	Winchester Surplus Lines/Acordia	1,871,000	"	"
Machinery	Winchester Surplus Lines/Acordia	2,273,000	"	"
Business Income	Winchester Surplus Lines/Acordia	500,000	"	"
Property of Others	Winchester Surplus Lines/Acordia	1,135,000	"	"
Theft-Money	Winchester Surplus Lines/Acordia		cancelled	
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		cancelled	
California	No Autos			
Other	1 vehicle in CO - to be sold			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	cancelled	

In re: Hauser Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 18

Hauser, Inc.
September 30, 2004
(dollars in thousands)

	Current Month <u>Actual</u>	Five Months Ended Year-to-date <u>Actual</u>
Sales	\$0	\$30
Cost of Sales	<u>(\$4)</u>	<u>\$23</u>
Gross margin	4	7
Sales and marketing	0	0
G & A expenses	<u>80</u>	<u>587</u>
Total Operating Cost	<u>80</u>	<u>587</u>
Contribution	<u>(76)</u>	<u>(580)</u>
Corporate Services	<u>(10)</u>	<u>(110)</u>
Operating income (loss)	<u>(66)</u>	<u>(470)</u>
New products expense	0	0
Interest expense	<u>1</u>	<u>2</u>
Profit (Loss) before Other Income	<u>(65)</u>	<u>(468)</u>
Gain/Loss on Sale of Equipment	1	20
Income from Discontinued Operations	0	150
Chapter 11 Reorganization Costs	<u>(163)</u>	<u>(871)</u>
Profit (loss) before tax	<u>(227)</u>	<u>(1,169)</u>
Income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u><u>(\$227)</u></u>	<u><u>(\$1,169)</u></u>

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		

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Office of the United States Trustee

In re: Zetapharm Inc.
A New York Corporation

Debtor

Chapter 11 Case No: LA 03-18802-BB

Debtor In Possession Operating Report
Report Number 18
For the period-

FROM: September 1, 2004
September 30, 2004

OFFICE OF US TRUSTEE
LOS ANGELES, CA.

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:			
INCOME			
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:			
INCOME			
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

No activity for this period

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	None	-
Overdue - 31 - 60 Days		-
Overdue - 61 - 90 Days		-
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		-
TOTAL	-	-

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
None					

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period:

None

Gross Sales Subject to Sales Tax for Period:

None

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		
Real Property Taxes	None		

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report.		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None


9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owed
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3903	\$ -
9/30/2003	None	\$ 250	11/6/2003	\$ 250	4630	\$ -
12/31/2003	None	\$ 250	2/26/2004	\$ 250	5166	\$ -
3/31/2004	None	\$ 250	5/4/2004	\$ 250	5323	\$ -
6/30/2004	None	\$ 250	7/28/2004	\$ 250	6147	\$ -

I, (Name/Title): Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: September 14, 2004


 Debtor in Possession or Trustee
 Secretary/Treasurer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	Winchester Surplus Lines/Acordia	See Below	6/1/2005	11/1/2004
Real Property	Winchester Surplus Lines/Acordia			
Personal Property	Winchester Surplus Lines/Acordia	1,871,000	*	*
Machinery	Winchester Surplus Lines/Acordia	2,273,000	*	*
Business Income	Winchester Surplus Lines/Acordia	500,000	*	*
Property of Others	Winchester Surplus Lines/Acordia	1,135,000	*	*
Theft-Money	Winchester Surplus Lines/Acordia		cancelled	
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		cancelled	
California	No Autos			
Other	1 vehicle in CO - to be sold			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	cancelled	

**In re: Zetapharm Inc.
A New York Corporation**

Debtor In Possession Operating Report
Report Number: 18

[illegible]

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		

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Office of the United States Trustee

RECEIVED

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Operating Report

Report Number: 18

For the period-

FROM:

TO:

2004 OCT 15 3:58
September 30, 2004

OFFICE OF US TRUSTEE
LOS ANGELES, CA.

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:

INCOME

Gross Sales		
(Sales Returns and Discounts)		
Net Sales		
Beginning Inventory at Cost		
Add: Purchases		
Less: Ending Inventory at Cost		
Cost of Goods Sold		
Gross Profit		
Other Operating Revenues - Rentals		
Total Income		

EXPENSES

Officer Compensation		
Salaries and Wages - Other Employees		
Employee Benefits and Pensions		
Total Employee wages, benefits, and pensions		
Payroll Taxes		
Real Estate Taxes		
Federal and State Income Taxes		
Total Taxes		
Rent and Lease Exp. (Real and Personal Property)		
Interest Expense (Mortgage, Loan, etc.)		
Insurance		
Automobile Expense		
Utilities (Gas, Electricity, Water, Telephone, etc.)		
Depreciation and Amortization		
Repairs and Maintenance		
Advertising		
Supplies, Office Expenses, Photocopies, etc.		
Bad Debts		
Miscellaneous Operating Expenses (See Attached)		
Total other operating costs & Expenses		
Total Operating Expenses		
Net Gain/Loss from Business Operations		

B. Not Related to Business Operations:

INCOME

Interest Income		
Other Non-Operating Revenues (Specify)		
Gross Proceeds on Sale of Assets		
Less: Original Cost of Assets plus Expenses of Sale		
Net Gain/Loss on Sale of Assets		
Total Non-Operating Income		

EXPENSES

Legal and Professional Fees (Specify)		
Other Non-Operating Expenses (Specify)		
Total Non-Operating Expenses		
Net Gain/Loss Not from Business Operations		
NET INCOME / LOSS FOR PERIOD		

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	-	8,168
Overdue - 31 - 60 Days		43,140
Overdue - 61 - 90 Days		-
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		
TOTAL		51,308

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
Woodspear Properties	Monthly	17,116	10/1/2004	None	

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: 227,416
 Gross Sales Subject to Sales Tax for Period: N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	by - 9/30/2004	56,539	-
State Payroll and Withholding Taxes	by - 9/30/2004	7,745	-
State Sales and Use Taxes	by - 9/30/2004	82	60
Real Property Taxes			

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation Liability				
Fire and Extended Coverage Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

On September 16, 2004, the Debtors closed the sale of substantially all of the assets of Hauser Contract Research Organization to Integrated BioPharma, Inc.

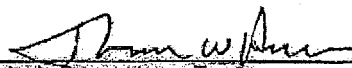
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	1,287,397	5,000	8/12/2003	5,000	11613	0
9/30/2003	1,444,749	5,000	11/6/2003	5,000	11986	0
12/31/2003	1,284,036	5,000	2/12/2004	5,000	12324	0
3/31/2004	1,066,177	5,000	5/6/2004	5,000	12603	0
6/30/2004	882,338	5,000	7/21/2004	5,000	12787	0

I, (Name/Title:) Thomas W. Hanton, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated:
Dated: October 14, 2004


Debtor in Possession or Trustee
Title - Secretary / Treasurer

Liability	Taxes Debited	
Recap		
Estimated Income Tax	7,347.12	
Estimated Personal Credit Advantages		.00
Social Security - EE	4,118.35	
Social Security - ER	4,118.34	
Social Security Adv. - EE		.00
Medicare - EE	963.18	
Medicare - ER	963.16	
Medicare Adv. - EE		.00
Federal Unemployment Tax		.00
State Income Tax	2,343.00	
State Unemployment Insurance - EE		.00
State Unemployment Insurance - ER		.00
State Unemployment Insurance Adv. - EE		.00
State Disability Insurance - EE		.00
State Disability Insurance Adv. - EE		.00
Workers' Benefit Fund Assumption - EE		.00
Workers' Benefit Fund Assumption - ER		.00
Local Income Tax		.00
School District Tax		.00
Total Taxes Debited	Account Number 4945088361	19,868.16
Other Transfers	ADP Direct Deposit	38,592.58
	Total Amount Debited From Your Account	58,640.74
Bank Debits and		
Other Liability	Checks	3,387.52
	Adjustments/Prepayments	.00
Taxes - Your		
Responsibility	New Time Payroll	

Total Liability	59,840.74
	58,528.66
	58,528.66
	\$5,928.66



Statistical Summary Recap

HAUSER TECH SERVICES

Company Code: MBA

Region Name: DESERT MOUNTAIN

Batch: 6983

Quarter Number: 3

Period Ending: 08/28/2004 Week 36

Pay Date: 09/02/2004 Page 1

Current Date: 08/30/2004

Net Pay		Checks		8,382.92	
		Direct Deposits		39,692.58	
		Subtotal Net Pay		47,080.50	
		Adjustments		.00	
		Total Net Pay Liability (Net Cash)		47,080.50	
Taxes					
Federal	Agency	Rate	You are responsible for Depositing these amounts		Amount debited from your account
	Federal Income Tax		EE withheld	ER contrib.	ER contrib.
	Earned Income Credit Advances				
	Social Security				4,118.34
	Medicare				683.16
	Federal Unemployment Tax				
	Subtotal Federal				5,081.50
	CO State Income Tax				
	CO State Unemployment/Disability Ins-ER	2.0700			
	Subtotal CO				2,343.00
State	Total Taxes		.00	.00	5,081.50
	Amount ADP Debited From Account	4946080361	Trans/ABA	121000248	19,848.16
Other	ADP Direct Deposit				
	Amount ADP Debited From Account	4946080361	Trans/ABA	121000248	38,692.58
Total Amount ADP Debited From Your Accounts					

Excludes Taxes That Are Your Responsibility

35 Employee Transactions

HAUSER TECH SERVICES

Statistical Summary
Detail

Company Code: MBA

Region Name: DESERT MOUNTAIN

Batch: 6983

Quarter Number: 3

Period Ending: 08/28/2004 Week 36

Pay Date: 09/02/2004 Page 2

Current Date: 08/30/2004

Liability Recap

Federal Income Tax	7,270.68
Federal Income Credit Advances	.00
State Security - FF	9,283.68
State Security - FR	6,783.64
State Security Ad. - FF	.00
Medicare - FF	1,001.75
Medicare - FR	1,001.87
Medicare Ad. - FF	.00
Medicare Ad. - FR	.00
General Unemployment Tax	2,468.00
State Income Tax	.00
State Unemployment Insurance - FF	.00
State Unemployment Insurance Inc. - FR	.00
State Unemployment Insurance Ad. - FF	.00
State Disability Insurance - FF	.00
State Disability Insurance Ad. - FF	.00
Workers' Benefit Fund Assessment - FF	.00
Workers' Benefit Fund Assessment - FR	.00
Local Income Tax	.00
School District Tax	.00
Total Taxes Debited	20,809.44
ADP Direct Deposit	494,088.16
Total Amount Debited From Your Account	53,572.14

Total Liability	53,572.14
	61,502.54
	70,049.19
	70,049.19

Includes Adjustments DPA 318
Your Responsibility
 Other Transfers
 Debt Debits and
 Other Liability
 Taxes - Your
 Responsibility

 Credits
 Adjustments/Prepayments

Net This Payroll


ADP Statistical Summary
Recap

HAUSER TECH SERVICES

Company Code: MBA

Region Name: DESERT MOUNTAIN

Batch : 8288

Quarter Number: 3

Period Ending : 09/11/2004 Week 38

Pay Date : 09/16/2004 Page 1

Current Date : 09/13/2004

Net Pay		Check	7,830.40
Direct Deposits			32,762.70
Subtotal Net Pay			40,593.10
Adjustments			8,546.65
Total Net Pay Liability (Net Cash)			49,239.75
Taxes			
Federal	Agency	Rate	Amount debited from your account
	Federal Income Tax		EE withhold 7,770.58
	Federal Income Tax		ER contrib. 4,283.64
	Federal Income Tax		4,283.64
	Social Security		1,001.87
	Medicare		1,001.87
State	Federal Unemployment Tax		13,055.98
	Subtotal (FUTA)		5,285.46
	CO State Income Tax		2,449.00
	CO State Income Tax		2,449.00
	CO State Unemployment Insurance		15,523.98
	Subtotal CO		5,285.46
Total Taxes			20,809.44
Amount ADP Debited From Account		4945086381	131000248
ADP Direct Deposit			32,762.70
Transfers		Amount ADP Debited From Account	4945086381
Total Amount ADP Debited From Your Accounts			53,572.14

Excludes Taxes That Are Your Responsibility

29 Employee Transactions



Statistical Summary
Detail

HAUSER TECH SERVICES

Company Code: MBA

Region Name: DEBERT MOUNTAIN

Batch: 8288

Quarter Number: 3

Period Ending: 09/11/2004

Pay Date: 09/16/2004

Current Date: 09/13/2004

Week 38

Page 2



Statistical Summary
Recap

HAUSER TECH SERVICES
Company Code: MBA
Region Name: DESERT MOUNTAIN

Batch: 8861
Quarter Number: 3

Period Ending: 09/15/2004 Week 38
Pay Date: 09/16/2004 Page 1
Current Date: 09/16/2004

Utility Recap	Taxes Debited	
	Federal Income Tax	8,784.12
	Payroll Income Credit Advance	.00
	Social Security - EE	4,472.28
	Social Security - ER	4,472.28
	Social Security Adv - EE	.00
	Medicare - EE	1,212.72
	Medicare - ER	1,212.69
	Medicare Adv - EE	.00
	Federal Unemployment Tax	.00
	State Income Tax	2,387.00
	State Unemployment Insurance - EE	.00
	State Unemployment Insurance Adv - ER	.00
	State Unemployment Insurance Adv - EE	.00
	State Disability Insurance - EE	.00
	State Disability Insurance Adv - EE	.00
	Workers' Benefit Fund Assessment - EE	.00
	Workers' Benefit Fund Assessment - ER	.00
	Local Income Tax	.00
	School District Tax	24,041.12
	Total Taxes Debited	24,041.12
Other Transfers	ADP Direct Deposit	.00
	Total Amount Debited From Your Account	24,041.12
Bank Debits and Other Liability	Checks	52,628.77
	Adjustments/Prepays/Voids	56.87
Taxes - Your Responsibility	Amount This Payroll	

Total Liability	24,041.12
	86,559.89
	96,626.56
	86,626.56

Includes Adjustments that are
your responsibility

Net Pay	Checks	62,528.77	00	62,528.77
	Direct Deposits			
	Subtotal Net Pay		96.67	82,585.44
	Adjustments			
	Total Net Pay Liability (Net Cash)			
Taxes				
Federal		You are responsible for		Amount debited
		Depositing these amounts		from your account
		EE withheld	EE contrib.	ER contrib.
	Agency	Rate		
	Federal Income Tax		9,704.13	
	Earned Income Credit Advances		4,422.29	4,422.28
	Social Security		1,212.73	1,212.69
	Medicare			
	Federal Unemployment Tax		18,419.15	5,834.97
	Subtotal Federal		2,987.00	
8110	CO State Income Tax			2,987.00
	CO State Unemployment/Disability Ins-ER	2,987.00		
	Subtotal CO		18,406.15	6,834.97
	Total Taxes	.00	.00	
Amount ADP Debited From Account		494606381	Trans/ABA	121000248

HAUSER TECH SERVICES

Company Code: MBA
Region Name: DESERT MOUNTAIN

ADP Statistical Summary
Detail

Batch: 8861
Quarter Number: 3

Period Ending: 09/15/2004 Week 38
Pay Date: 09/16/2004 Page 2
Current Date: 09/16/2004

Utility Recap	Taxes Debited	
	Federal Income Tax	278.25
	Income Tax Credit Advance	.00
	Social Security - FE	14.00
	Social Security - FR	14.01
	Social Security Adj. - FE	.01
	Medicare - FE	12.84
	Medicare - FR	12.83
	Medicare Adj. - FE	.00
	Federal Unemployment Tax	.00
	State Income Tax	53.00
	State Unemployment Insurance - FE	.00
	State Unemployment Insurance - FR	.00
	State Unemployment Insurance Adj. - FE	.00
	State Disability Insurance - FE	.00
	State Disability Insurance Adj. - FE	.00
	Workers' Benefit Fund Assessment - FE	.00
	Workers' Benefit Fund Assessment - FR	.00
	Local Income Tax	.00
	School District Tax	.00
	Total Taxes Debited	494.608361
Other Transfers	ADP Direct Deposit	.00
	Total Amount Debited From Year Account	414.53
Bank Debits and Other Utility	Checks	.00
	Adjustments/Prepaids/Voids	340.35
Taxes - Your Responsibility	Miner Tax Payroll	

Total Liability	414.53
	414.53
	955.08
	955.08

Includes Adjustments that are
year responsibility

ADP Statistical Summary
Recap

HAUSER TECH SERVICES
Company Code: MBA
Region Name: DESERT MOUNTAIN

Batch : 0391
Quarter Number: 3

Period Ending : 09/15/2004 Week 39
Pay Date : 09/22/2004 Page 1
Current Date : 09/20/2004

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	10/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	Westchester Surplus Lines/Acordia	See Below	9/1/2005	11/1/2004
Real Property				
Personal Property	Westchester Surplus Lines/Acordia	1,871,000	"	"
Machinery	Westchester Surplus Lines/Acordia	2,273,000	"	"
Business Income	Westchester Surplus Lines/Acordia	500,000	"	"
Property of Others	Westchester Surplus Lines/Acordia	1,135,000	"	"
Theft-Money			cancelled	
Life (list beneficiary)				
Vehicle	St. Paul/Acordia		cancelled	
California	No Autos			
Other	1 vehicle in CO- to be sold			
Other (specify)				
Flood & Earthquake (DIC)			cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	cancelled	

Hauser Technical Services
Hauser Contract Research Organization
Summary Income Statement
September 30, 2004
(dollars in thousands)

	<u>Month</u> Actual	<u>Year-to-date</u> Actual
Sales	\$25	\$928
Cost of sales	145	\$1,501
Gross margin	<u>(120)</u>	<u>(\$573)</u>
 Sales and marketing	21	\$68
G & A expenses	<u>(28)</u>	<u>\$80</u>
Total	<u>(7)</u>	<u>\$148</u>
Contribution	(113)	(\$721)
 Corporate Services	10	\$110
Operating income (loss)	<u>(123)</u>	<u>(\$831)</u>
 Interest expense	0	\$0
Disposal of Assets	1,105	1,105
Reorganization Costs	0	(\$10)
 Profit (loss) before tax	<u><u>\$982</u></u>	<u><u>\$265</u></u>

Debtor In Possession Operating Report
Report Number: 18